

# New Jersey Board of Public Utilities Strategic Plan: 2005-2008 and Beyond September 9, 2004

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## MISSION STATEMENT

To ensure the provision of safe, adequate and proper utility and regulated service at reasonable rates, while enhancing the quality of life for the citizens of New Jersey and performing these public duties with integrity, responsiveness and efficiency.

### A. **GOAL: Ensure and enhance the provision of Safe, Adequate and Proper Services by Regulated Entities**

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#### 1. *Performance Standards* –

1.1 Objective. By December 2005, if necessary, modify current and/or develop new performance standards for regulated entities, as appropriate, in the areas of 1) customer service, 2) safety and reliability 3) financial integrity and 4) corporate governance. Within one year of adoption of a performance standard, the impacted regulated entities shall be in compliance with or shall enter into a binding agreement to be in compliance with the standard, by a date certain.

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#### 2. *Security and Safety* –

2.1 Objective. On an ongoing basis, seek to enhance critical utility infrastructure protection, approving updated Best Practices that provide effective planning, mitigation, response and recovery by the utilities in the event of natural emergency or terrorist event.

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2.2 Objective. By 2008, reduce statewide damage incidents, due to excavations, to underground utility facilities by five percent compared to the five year average ending 2003.

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#### 3. *Reliability and Adequacy* –

3.1 Objective. By 2008, reduce statewide incidents of regulated cable television company reportable outages and regulated electric utility outages by ten and five percent respectively, compared to the five year average ending 2003 for cable television companies and three year average beginning 2003 for electric utilities.

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3.2 Objective. By 2008, reduce statewide duration of regulated cable television company reportable outages and regulated electric utility outages, by eight and

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five percent respectively, compared to the five year average ending 2003 for cable television companies and three year average beginning 2003 for electric utilities.

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3.3 Objective. By December 2005, using transmission congestion information from PJM's Regional Transmission Expansion Planning Process, identify unhedgeable congestion events within the New Jersey transmission network and develop a plan. to reduce congestion events that affects New Jersey

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3.4 Objective. By December 2008, using a combination of energy efficiency and load management improve the statewide electric load factor by 5 percent compared to the five year average ending 2003..

**B. GOAL: Ensure the provision of Regulated Entity Services at Reasonable Rates while promoting Competition**

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**1. Reasonable Rates –**

1.1 Objective. On an ongoing basis, enable traditionally regulated utilities to meet performance standards adopted by the Board by establishing reasonable rates that will provide them with the opportunity to earn a fair return on investment.

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**2. Corporate Governance –**

2.1 Objective. By January 2005, all regulated utilities shall be, and continue to be in compliance with established corporate governance standards.

Comment: Based on the comments of September 9, 2004 meeting staff will explore adding a separate objective related to entities operating in competitive markets subject to alternative regulation

2.2 Objective. By January 2006, all rated regulated utilities shall maintain an investment grade bond rating by at least one nationally recognized rating agency or shall file an action plan to be approved by the Board that is designed to achieve an investment grade rating by a date certain.

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**3. Competition –**

3.1 Objective. By 2006, ensure competition in the residential local telephone market by the presence of at least 3 providers of local service.

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3.2 Objective. Through 2006, continue to ensure that residential and small commercial BGS service is competitively priced by conducting an auction to procure required electricity, while protecting residential and small commercial BGS customers from short term price volatility.

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**C. GOAL: Enhance the Quality of Life for the Citizens of New Jersey by providing Assistance Programs, promoting Smart Growth Development, protecting and enhancing Environmental Quality and conserving Natural Resources**

## 1. Assistance Programs –

1.1 Objective. By July 2005, develop a comprehensive, statewide plan to ensure that the State's eligible population are aware of available electric and gas utility low-income assistance programs, and will either be enrolled or have access to information on how to enroll.

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1.2 Objective. On an ongoing basis, BPU staff shall work with other state agencies, utilities and consumer advocacy groups to refine Universal Service Fund processes and target advances toward a one-stop application process.

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1.3 Objective. By January 2005 and annually thereafter, citizens eligible for financial electric and heating assistance for energy from the Universal Service Fund will be identified and offered the opportunity for assistance through the energy efficiency programs of the New Jersey Clean Energy Program.

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1.4 Objective. By December 2005, and annually thereafter, one hundred percent of a carrier's eligible population will be made aware of the telephone Link Up and Lifeline assistance programs by the carriers, or through outreach programs, and will either be enrolled or have access to information on how to enroll.

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## 2. Smart Growth Development –

2.1 Objective. On an ongoing basis, all Board actions related to regulated entity services, to the extent the Board can control, shall support the State Development and Redevelopment Plan, the State's policies concerning smart growth and, support development in the designated growth areas of the State Plan.

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2.2 Objective. By January 2005, the Board shall adopt Smart Growth regulations that shall require the developers to pay the cost of extending regulated entity infrastructure in areas not designated for growth in the State Plan.

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## 3. Renewable Energy and Conservation –

3.1 Objective. By 2008, six and a half percent of the electricity used by New Jersey residents and businesses will be provided by Class I<sup>1</sup> and/or Class II renewable energy resources, of which a minimum of four percent will be from Class I renewable energy resources.

<sup>1</sup> Class 1 renewable energy is defined in the Electric Discount and Energy Competition Act as "electric energy produced from solar technologies, photovoltaic technologies, wind energy, fuel cells, geothermal technologies, wave or tidal action, and methane gas from landfills or a biomass facility, provided that the biomass is cultivated and harvested in a sustainable manner"

3.2 Objective. By 2008, foster installation of 300 Megawatts (MW) of Class I renewable electric generation capacity in New Jersey, of which a minimum of 90 MW shall be derived from photovoltaics.

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3.3 Objective. By 2012, 785,000 Megawatt hours per year and 0.6 billion cubic feet gas per year of energy savings will be derived from measures installed under the Clean Energy Program.

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3.4 Objective. By 2020, twenty percent of the electricity used by New Jersey residents and businesses will be provided by Class I renewable energy resources.

3.5 Objective. By 2010, reduce potable water delivery by regulated water utilities by five percent compared to the five year average ending 2003.

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3.6 Objective. By 2008, reduce aggregate unaccounted for water for regulated water utilities to 15 percent or lower.

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#### 4. *Energy Master Plan –*

4.1 Objective. By December 2005, prepare a comprehensive energy master plan for a period of 10 years on the production, distribution, consumption and conservation of energy in New Jersey

**D. GOAL: Perform public duties with Integrity based on openness and transparency in governance and ethics, be responsive to the Needs and Concerns of the Citizens of the State of New Jersey and enhance Efficiency of Operations**

#### *1. Governance and Code of Ethics -*

1.1 Objective. The Commissioners and the employees of the Board shall be in continual compliance with the Board's Code of Ethics.

1.2 Objective. By December, 2005, the Board shall complete a full review of the rules applicable to ex parte communications, and take all necessary steps that will allow for the proposal of amendments thereto that are deemed to be appropriate to ensure continued confidence in proceedings that are pending before the Board.

#### *2. Operational Efficiency –*

2.1 Objective. By December 2005, establish appropriate time periods, protocols, and other milestones for the processing and completion of various types of cases filed with the Board.

2.2 Objective. By December 2006, the Board shall post a list of all docketed matters on its website that includes a brief description, date filed and status with links to Board orders on the matter.

2.3 Objective. By December 2007, seventy-five percent of all cases filed with the Board will be completed within established time periods.

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3 Customer Service-

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3.1 Objective. By July 2005, reduce Average Speed of Answer (ASA) of customer calls to the Board's Division of Customer Assistance and Office of Cable Television Call Centers by 15% compared to 2003.

3.2 Objective. By December 2005, fifty percent of complaints to the Board's Division of Customer Assistance and the Office of Cable Television concerning "slamming" and pay-per-view events will be resolved within forty-five days; seventy-five percent within sixty days and ninety percent within seventy-five days.